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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**PURDUE PHARMA L.P., et al.,

Debtors.¹**

Chapter 11

Case No. 19-23649 (RDD)

(Jointly Administered)

**DECLARATION OF JON LOWNE IN SUPPORT OF
DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING
DEBTOR AVRIO HEALTH L.P. TO ENTER INTO SUBLEASE**

I, Jon Lowne, being fully sworn, hereby declare that the following is true to the best of my knowledge, information and belief:

¹ The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

1. I am the Executive Vice President and the Chief Financial Officer of Purdue Pharma L.P. (“**PPLP**” and, collectively with each of the other above-captioned debtors, the “**Debtors**,” the “**Company**” or “**Purdue**”). I was first employed by Purdue as Senior Internal Auditor in 1995 and gained increasing responsibility in the Company’s finance team over time, including as Controller from 2005 to July 2017, and then as Acting Chief Financial Officer from August 2017 to February 2018. Since March 2018, I have been the Chief Financial Officer of PPLP. I am familiar with the day-to-day operations, business and financial affairs of the Debtors.

2. I submit this declaration (this “**Declaration**”) in support of the *Debtors’ Motion for Entry of an Order Authorizing Debtor Avrio Health L.P. to Enter into Sublease* (the “**Motion**”).² I am authorized to submit this Declaration on behalf of the Debtors.

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision, or my opinion based upon experience, knowledge and information concerning the operations of the Debtors. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

The Avrio Sublease

4. Debtor Avrio Health L.P. (“**Avrio**”) is a wholly owned subsidiary of PPLP that engages in the marketing, sale, and distribution of over-the-counter products in the U.S. Avrio currently leases approximately 5,850 rentable square feet of office space at 65 West 36th Street, New York, N.Y. 10018 (the “**Premises**”) under a lease (the “**Avrio Lease**”) by and between 65 W 36 LLC and Avrio. The Avrio Lease has a lease term that extends through August 31, 2024.

² Capitalized term used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

The Debtors assumed the Avrio Lease pursuant to the *Order (I) Authorizing the Assumption of a Certain Unexpired Lease and (II) Further Extending the Debtors' Deadline to Assume or Reject Certain Unexpired Leases with the Prior Written Consent of the Lessors Under Such Leases* [ECF No. 961], dated March 18, 2020.

5. Due to the COVID-19 global pandemic, all of Avrio's employees who had worked at the Premises have been working remotely from home. Initially, Avrio's virtual work-from-home policy was a reaction to New York State's stay-at-home order. However, Avrio has been able to successfully transition almost all employee functions to a permanent virtual platform. As a result, the Premises has been largely unoccupied.

6. Accordingly, the Debtors have determined that Avrio no longer requires physical office space and that subleasing the entire Premises will result in substantial cost savings to the Debtors' estates. As of July 31, 2021, approximately \$1.02 million is owed under the Avrio Lease over the remainder of the lease term. Pursuant to the Avrio Sublease, Avrio would sublease the Premises to the Sublessee at a rate of \$45.00 per rentable square foot, which rate will increase by 2.75% annually. Avrio would receive approximately \$750,000 in the aggregate over the term of the Avrio Sublease. I have confirmed with their real estate broker, CB Richard Ellis, that the rent per square foot and the other terms described in the Term Sheet are consistent with the New York City market. The Debtors do not believe that they are likely to find a tenant that will take assignment of the Avrio Lease or a subtenant that will offer more attractive economic terms. The Debtors believe that the Avrio Sublease will maximize the value of the Debtors' estates given Avrio's office space needs and the negative impact that the COVID-19 pandemic has had on the New York City office space rental market.

7. Over approximately the last 6 months, the Debtors, in consultation with their real estate broker, have attempted to find a subtenant to offset the rent expense incurred under the Avrio Lease. The Debtors and their real estate broker conducted an in-depth analysis of the sublease market in New York City, considering space conditions, sublease term lengths, and desirability of specific locations to determine the appropriate pricing. Subsequently, Debtors and their real estate broker prepared marketing materials and advertised the space in order to garner interest. Approximately 65 tenants in the market inquired about the space, and over 20 potential subtenants viewed the space. Out of those prospective tenants, two were interested in making an offer. Of the two offers received, the Sublessee was the better capitalized company and offered better economics to the Debtors. The Debtors and the Sublessee are in the process of expeditiously finalizing the terms of the Avrio Sublease on the terms set forth in the Term Sheet attached as Exhibit 1 to the Proposed Order.

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8. I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed: August 2, 2021

By: /s/ Jon Lowne
Jon Lowne
Executive Vice President and Chief
Financial Officer
Purdue Pharma L.P.